

From: [Richard Mollot](#)
To: [Sanders, Stacy \(HHS/IOS\)](#)
Subject: thank you
Date: Tuesday, July 25, 2023 9:28:33 AM
Attachments: [image001.png](#)
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[tableau 4.1 percentages across table.pdf](#)

Dear Stacey,

Thank you for meeting with us last week in regard to our concerns about the staffing standard and the report that CMS commissioned to support the development of the standard.

As I mentioned when we last met, we are working on some data tools that will allow users to identify the actual costs of staffing increases to meet a staffing standard. As the attached table shows, the actual cost of meeting a 4.1 HPRD with the addition of CNA staff is roughly \$5.27B annually. **This is half of what the industry is claiming.** The salary data that we are using is derived from the US Bureau of Labor Statistics.

We expect to be releasing the dashboard for public use in the next week or two. Users across the country will be able to make these calculations and see how little the costs for meeting even a modest 4.1 HPRD would be. For example, it would cost a total of \$507M for all NYS nursing homes to meet 4.1 HPRD. This is about 40% *less* that what the facilities *themselves* reported in excess income in their lawsuit to stop NY's law requiring 70% spending on care and maximizing reported profits at 5%.

I also would like to share with you (in confidence, please) that we are finalizing a study on nursing home income, costs, and profits. **The analysis, which was conducted by academic researchers, is quite striking.** We found that net income from reported inpatient services, including disallowed expenses, showed a loss of \$7.37 billion in 2019. However, **when disallowances and depreciation were excluded, the average net nursing home profit margin was 8.84 percent.** And this does ***not*** include profits that are hidden in related-party transactions.

The problem isn't money or staff. The problem is the business model which exploits care staff, vulnerable residents, and American tax-payers.

As always, appreciative of your interest and happy to provide more info, data, details.

Richard

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